

Message Text

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ACTION AID-59

INFO OCT-01 EA-07 ISO-00 IGA-02 SIL-01 LAB-04 CIAE-00

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USADB

FOR NAC AGENCIES

E.O. 11652: ADS, DECLAS 3/6/77

TAGS: EAID, EFIN, TH

SUBJECT: VOCATIONAL EDUCATION PROJECT (THAILAND)

1. IN DECEMBER 1973 ADB APPROVED TWO LOANS TALLING \$6.40 MILLION (\$3.30 MILLION FROM ORDINARY CAPITAL AND \$3.10 FROM SPECIAL FUNDS RESOURCES) FOR VOCATIONAL EDUCATIONAL PROJECT IN THAILAND COMPRISING TWO SUB-PROJECTS. ASSISTANCE TO DEPARTMENT OF LABOR (DOL) PROVIDES FOR TRAINING EQUIPMENT FOR THREE NEW REGIONAL MULTI-PURPOSE SKILLS TRAINING CENTERS TO BE ERECTED AT LAMPANG, SI RACHA AND RATCHABURI AND FOR ADDITIONAL TRAINING EQUIPMENT FOR NATIONAL INSTITUTE FOR SKILLS DEVELOPMENT, BANGKOK. ASSISTANCE TO DEPARTMENT OF VOCATIONAL EDUCATION (DOVE) WILL FINANCE IMPROVEMENT OF INDUSTRIAL TECHNICIAN TRAINING PROGRAMS, INCLUDING RE-EQUIPPING FOUR TECHNICAL INSTITUTES AT BANGKOK, SONGKLA, LORAT AND CHIANGMAI.

2. DOL SUB-PROJECT WAS ORIGINALLY SCHEDULED FOR COMPLETION BY DECEMBER 1977. HOWEVER, DOL, THE EXECUTING

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AGENCY, EXPERIENCED DIFFICULTIES IN PREPARATION OF

SPECIFICATIONS AND TENDER DOCUMENTS FOR PROCUREMENT OF TEACHING EQUIPMENT IN ACCORDANCE WITH BANK'S PROCUREMENT GUIDELINES. PROCUREMENT OF EQUIPMENT IS CURRENTLY PROCEEDING SATISFACTORILY, AND SUB-PROJECT IS NOW SCHEDULED FOR COMPLETION BY DECEMBER 1979. COST OVERRUN RESULTING FROM DELAY IN IMPLEMENTATION IS ESTIMATED AT ABOUT \$0.70 MILLION. BANK REVIEW MISSIONS HAVE ON ALL OCCASIONS INFORMED DOL AND MINISTRY OF FINANCE OFFICIALS THAT BANK WILL NOT (REPEAT NOT) CONSIDER FINANCING OF THESE COST OVERRUNS.

3. DOVE SUB-PROJECT, WHICH PROVIDES FOR RECRUITMENT OF TWO GROUPS OF CONSULTANTS/EXPERTS, IS ALSO DELAYED. SINCE LOAN EFFECTIVITY IN APRIL 1974, THERE HAS BEEN NO IMPLEMENTATION PROGRESS DUE TO DELAYS BY EXECUTING AGENCY (DOVE) TO RECRUIT CONSULTANTS, DESPITE EFFORTS BY FOUR BANK REVIEW MISSIONS TO PERSUADE DOVE TO FINALIZE RECRUITMENT AND AVOID POSSIBLE COST OVERRUN DUE TO DELAY. DURING THIS PERIOD DOVE'S RECRUITMENT EFFORTS WITH DEUTSCHE GESAMTSCHAFT FUR TECHNISCHE ZUSAMMENARBEIT, UNDP/ILO AND UNESCO WERE ALL UNSUCCESSFUL. IN AUGUST 1976, FOURTH REVIEW MISSION PERSUADED DOVE TO APPROACH ILO ON DIRECT (ACTUAL) COST BASIS FOR FIRST GROUP OF FOUR LONG-TERM EDUCATION EXPERTS FOR TOTAL PERIOD OF 12 MAN-YEARS TO ASSIST IN FORMULATION OF TEACHING SCHEMES, CURRICULA, AND INSTALLATION OF EQUIPMENT. (RECRUITMENT OF TEAM OF EDUCATION CONSULTANTS IS START-OFF POINT OF IMPLEMENTATION WORK. SECOND GROUP WILL CONSIST OF FOUR SHORT-TERM EXPERTS FOR 24 MAN-MONTH PERIOD TO PREPARE EQUIPMENT SPECIFICATIONS AND BIDDING DOCUMENTS AND ASSIST IN BID EVALUATION). ILO HAS NOW AGREED AND CONSULTANTS ARE EXPECTED TO BE IN FIELD BY JANUARY 1977. SUBJECT TO FINALIZATION OF AGREEMENT BETWEEN DOVE AND ILO, IT IS EXPECTED THAT DOVE SUB-PROJECT WOULD BE COMPLETED BY DECEMBER 31, 1980 INSTEAD OF ORIGINAL IMPLEMENTATION SCHEDULE OF DECEMBER 31, 1977.

4. FOREX COST OF DOVE SUB-PROJECT DUE TO ESCALATION IN COSTS THAT HAS OCCURRED IS ESTIMATED TO HAVE INCREASED BY 30 PERCENT OVER PREVIOUS ALLOCATION OF \$4.0 MILLION OR \$1.2 MILLION. AGAIN, BANK MISSIONS HAVE INDICATED IT WILL LIMITED OFFICIAL USE

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NOT (REPEAT NOT) CONSIDER ANY COST OVERRUN AND THAT IT WILL HAVE TO BE BORNE BY GOVERNMENT.

5. THERE REMAINS, HOWEVER, ONE ADDITIONAL ISSUE TO BE RESOLVED. IN JULY 1976, GOVERNMENT INFORMED BANK THAT THE FOUR TECHNICAL INSTITUTES AT BANGKOK, SONGHKLA, LORAT AND CHIANGMAI UNDER DOVE SUB-PROJECT HAVE BEEN TRANSFERRED TO INSTITUTE OF TECHNOLOGY AND VOCATIONAL EDUCATION(ITVE),

WHICH IS NEWLY CREATED DEPARTMENT WITHIN MINISTRY OF EDUCATION. GOVERNMENT HAS REQUESTED BANK TO APPROVE CHANGE IN EXECUTING AGENCY FROM DOVE TO ITVE. IN AUGUST 1976 A BANK REVIEW MISSION VISITED BANGKOK TO COLLECT DETAILED INFORMATION ON ITVE'S ESTABLISHMENT, PURPOSE, ORGANIZATION, MANAGEMENT, STAFFING AND FUNCTIONS. MISSION IS SATISFIED THAT ITVE IS SUITABLE BODY TO IMPLEMENT DOVE SUB-PROJECT WITH ASSISTANCE OF EDUCATION EXPERTS AND CONSULTANTS.

6. ADB PRESIDENT, AFTER CAREFUL CONSIDERATIONS OF VARIOUS DEVELOPMENTS AND DELAYS IN IMPLEMENTING DOVE SUB-PROJECT, RECOMMENDS THAT BOARD APPROVE PROPOSED CHANGE IN EXECUTING AGENCY. IF THERE IS NO OBJECTION OR REQUEST FOR DISCUSSION BY CLOSE OF BUSINESS ON DECEMBER 21, 1976, RECOMMENDATION WILL BE DEEMED TO HAVE BEEN APPROVED. USADB DOES NOT PLAN TO OBJECT. ADB DOC. R129-76 ON ABOVE SUBJECT
POUCHED DECEMBER 3.
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